

AMENDED IN ASSEMBLY JANUARY 16, 2008

AMENDED IN ASSEMBLY JANUARY 7, 2008

AMENDED IN ASSEMBLY MAY 1, 2007

AMENDED IN ASSEMBLY APRIL 10, 2007

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL

No. 158

Introduced by Assembly Member Ma

January 18, 2007

An act to add Article 4.6 (commencing with Section 14146) to Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

AB 158, as amended, Ma. Medi-Cal: benefits for nondisabled persons infected with *chronic* hepatitis B.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services and under which qualified low-income persons receive health care benefits. Counties are responsible for making eligibility determinations under the Medi-Cal program. One of the methods by which services are provided under the Medi-Cal program is through enrollment of recipients in Medi-Cal managed care plans.

This bill would require the State Department of Health Care Services to expand eligibility for benefits under the existing Medi-Cal program to include nondisabled persons with *chronic* hepatitis B *infection* who would be eligible for Medi-Cal if disabled. This bill would provide that the expansion would be implemented on the date all applicable federal

waivers are granted, as specified. The bill would provide that enrollment in Medi-Cal pursuant to the bill would be limited pursuant to an allocation system to be developed by the department. The bill would require the department to meet federal revenue neutrality requirements through the savings generated by voluntary enrollment into Medi-Cal managed care of persons who are disabled as a result of hepatitis B, and who are either receiving Medi-Cal benefits on a fee-for-service basis as of January 1, 2009, or who become eligible to receive Medi-Cal benefits on or after that date. The bill would condition its implementation upon the receipt of federal financial participation and would prohibit the department from enrolling persons in the program established by this bill until the department can ensure sufficient savings equal to or greater than the cost of providing benefits to these persons.

By increasing counties' responsibilities for Medi-Cal eligibility determinations, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Article 4.6 (commencing with Section 14146) is
2 added to Chapter 7 of Part 3 of Division 9 of the Welfare and
3 Institutions Code, to read:

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5 Article 4.6. Medi-Cal Managed Care Benefits for Nondisabled
6 Persons with ~~Hepatitis B~~ *Chronic Hepatitis B Infection*

7

8 14146. (a) It is the intent of the Legislature in enacting this
9 article to expand eligibility for Medi-Cal benefits to persons with
10 ~~hepatitis B~~ *chronic hepatitis B infection* who are not disabled, but
11 who, if disabled, would qualify for Medi-Cal benefits.

12 (b) It is further the intent of the Legislature that this expansion
13 of the existing Medi-Cal program be funded by cost savings

1 achieved through the voluntary enrollment into the existing
2 Medi-Cal managed care program of persons who are disabled as
3 a result of hepatitis B, and who are either receiving Medi-Cal
4 benefits on a fee-for-service basis as of January 1, 2009, or who
5 become eligible to receive Medi-Cal benefits on or after January
6 1, 2009.

7 (c) It is further the intent of the Legislature that the department
8 encourage the voluntary enrollment into the existing Medi-Cal
9 managed care program of persons described in subdivision (b) in
10 order to obtain sufficient cost savings to provide Medi-Cal benefits
11 to the maximum feasible number of persons with ~~hepatitis B~~
12 *chronic hepatitis B infection* subject to the constraints of this
13 article.

14 (d) It is further the intent of the Legislature that all protections
15 of state and federal law and regulations that apply to the state's
16 Medi-Cal managed care program shall apply to those persons who
17 become eligible for Medi-Cal pursuant to this article.

18 14146.1. (a) Subject to subdivisions (b) and (c), paragraph (2)
19 of subdivision (f), and subdivision (k), the department shall,
20 commencing July 1, 2009, or the date that all necessary federal
21 waivers have been obtained, whichever is later, expand eligibility
22 for benefits under this chapter to any person with ~~hepatitis B~~
23 *chronic hepatitis B infection* who would otherwise qualify for
24 Medi-Cal benefits if the person were disabled as defined in
25 subdivision (h).

26 (b) Any person eligible for benefits pursuant to subdivision (a),
27 and seeking enrollment in Medi-Cal pursuant to this article shall
28 be enrolled on a first-come-first-served basis pursuant to an
29 allocation mechanism that shall be developed by the department.

30 (c) Any person who is eligible for enrollment in Medi-Cal
31 pursuant to this article shall be required to elect a Medi-Cal
32 managed care plan in those counties in which a managed care plan
33 is available, unless the department determines that the
34 cost-neutrality requirements provided for in subdivision (f) and
35 the enrollment goals provided for in this article can be achieved
36 without this requirement.

37 (d) In implementing this article, the department shall ensure
38 that all of the following standards are met:

39 (1) All state and federal laws and regulations that apply to the
40 state's Medi-Cal managed care program shall apply to the

1 expansion provided by this article and to the beneficiaries eligible
2 for Medi-Cal pursuant to this article.

3 (2) All participating plans that assume full risk for all health
4 care services, including inpatient and outpatient services, shall be
5 licensed pursuant to the Knox-Keene Health Care Service Plan
6 Act of 1975 (Chapter 2.2 (commencing with Section 1340) of
7 Division 2 of the Health and Safety Code), except as provided in
8 Section 1343 of the Health and Safety Code.

9 (3) Health care service plans participating in the Medi-Cal
10 managed care program shall comply with the applicable sections
11 of the Knox-Keene Health Care Service Plan Act of 1975 (Chapter
12 2.2 (commencing with Section 1340) of Division 2 of the Health
13 and Safety Code), including Sections 1367 and 1374.16 of the
14 Health and Safety Code and the regulations adopted pursuant to
15 Section 1374.16 of the Health and Safety Code.

16 (4) Primary care case management plans participating in the
17 Medi-Cal managed care program shall comply with the applicable
18 sections of Article 2.9 (commencing with Section 14088). Primary
19 care case management plans are required to maintain grievance
20 and appeal procedures consistent with the existing Medi-Cal
21 managed care program, to address beneficiary grievances.

22 (e) The department shall establish capitation rates to be paid to
23 Medi-Cal managed care plans for services provided pursuant to
24 this section. These capitation rates ~~may~~ *shall* not exceed 95 percent
25 of the fee-for-service equivalent costs to the Medi-Cal program
26 for medical services for persons with ~~hepatitis B~~ *chronic hepatitis*
27 *B infection*.

28 (f) (1) The department shall meet federal revenue neutrality
29 requirements through the savings generated by the voluntary
30 enrollment into Medi-Cal managed care of persons who are
31 disabled as a result of hepatitis B, and who are either receiving
32 Medi-Cal benefits on a fee-for-service basis as of January 1, 2009,
33 or who become eligible to receive Medi-Cal benefits on or after
34 January 1, 2009. The savings generated by increased voluntary
35 enrollments in Medi-Cal managed care shall be used to fund
36 enrollment by individuals eligible for the expansion of Medi-Cal
37 eligibility provided for pursuant to subdivision (a). Nothing in this
38 subdivision shall preclude the department from implementing other
39 means of meeting the federal revenue neutrality requirements,
40 provided that all requirements of this article are met.

1 (2) The department shall not enroll individuals described in
2 subdivision (a) until the department can ensure sufficient savings,
3 pursuant to paragraph (1), equal to or greater than the cost of
4 providing benefits to these individuals.

5 (g) The department shall encourage the voluntary enrollment
6 into Medi-Cal managed care of persons who are disabled as a result
7 of hepatitis B. The department shall conduct all outreach and
8 awareness activities necessary to implement this requirement in a
9 manner consistent with Section 14407 to ensure that persons who
10 enroll in managed care do so voluntarily. These outreach and
11 awareness activities shall include information on how electing
12 managed care may alter provider relationships and how persons
13 may revert to fee-for-service if they prefer to return to
14 fee-for-service.

15 (h) For the purposes of this section, “disabled” means a person
16 who meets the eligibility criteria for the federal Supplemental
17 Security Income for the Aged, Blind and Disabled program
18 (Subchapter 16 (commencing with Section 1381) of Chapter 7 of
19 Title 42 of the United States Code).

20 (i) Notwithstanding Chapter 3.5 (commencing with Section
21 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
22 the department shall implement this article, without taking any
23 regulatory action, by means of an all-county letter or similar
24 instruction. Thereafter, the department shall adopt regulations in
25 accordance with the requirements of Chapter 3.5 (commencing
26 with Section 11340) of Part 1 of Division 3 of Title 2 of the
27 Government Code.

28 (j) Commencing January 1, 2009, the department shall seek the
29 appropriate federal waiver under Section 1115 of the Social
30 Security Act (42 U.S.C. Sec. 1315) to implement the expansion
31 of eligibility provided for pursuant to this section. The department
32 shall maximize the federal reimbursement received for services
33 provided under this article to those eligible pursuant to this section.

34 (k) This article shall be implemented only if, and to the extent
35 that, the department determines that federal financial participation
36 is available pursuant to Title XIX of the federal Social Security
37 Act (42 U.S.C. Sec. 1396 et seq.).

38 SEC. 2. If the Commission on State Mandates determines that
39 this act contains costs mandated by the state, reimbursement to
40 local agencies and school districts for those costs shall be made

- 1 pursuant to Part 7 (commencing with Section 17500) of Division
- 2 4 of Title 2 of the Government Code.

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